GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2567
ANSWERED ON:18.08.2006
NON BANKING FINANCIAL COMPANIES
Nahata Smt. P. Jaya Prada

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government proposes to allow non-banking financial companies to raise External Commercial Borrowings (ECB);

(b) If so, the details thereof; and

(c) The time by which it is likely to be allowed ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a), (b) & (c) :- Reserve Bank of India (RBI) has reported that presently, Non-Banking Financial Companies (NBFCs) can raise External Commercial Borrowings (ECB) with minimum average maturity of 5 years from multilateral financial institutions, reputable regional financial institutions, official export credit agencies and international banks to finance import of infrastructure equipment for leasing to infrastructure projects, under Approval Route.